

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA -oOo-

Order Instituting Rulemaking on the Commission's)	
Own Motion into the Service Quality Standards for)	Rulemaking 02-12-004
All Telecommunications Carriers and Revisions to)	(Filed December 5, 2002)
General Order 133-B)	,
)	

REPLY COMMENTS OF VERIZON CALIFORNIA INC. (U 1002 C)
AND ITS CERTIFICATED CALIFORNIA AFFILIATES
ON MARCH 30, 2007 ASSIGNED COMMISSIONER RULING AND SCOPING MEMO

ELAINE M. DUNCAN RUDOLPH M. REYES CHRISTOPHER D. OATWAY Attorneys for Verizon 711 Van Ness Avenue, Suite 300 San Francisco, CA 94102

Tel: 415-749-5539 Fax: 415-474-6546 rudy.reyes@verizon.com

TABLE OF CONTENTS

			Page
l.	INT	RODUCTION	1
II.	DIS	SCUSSION	3
	A.	Contrary To The Pro-Market Principles Articulated In The Scoping Memo, TURN And DRA Promote Regulation Over Competition To The Detriment Of Optimal, Consumer-Driven Service Quality	3
	B.	DRA And TURN's Prescriptive Proposals Are Arbitrary And Lack Any Economic Or Empirical Support	5
	C.	California Law Encourages Reliance On Competition To Promote Reasonable Service Quality Levels	7
	D.	No Clear Need For Commission-Sponsored Customer Satisfaction Surveys Has Been Established	10
III.	CC	NCLUSION	13

Pursuant to the March 30, 2007 Assigned Commissioner's Ruling and Scoping Memo, Verizon California Inc. submits these Reply Comments on behalf of itself and its certificated California affiliates (collectively "Verizon"). Accompanying these comments are the supporting Reply Declarations of Dr. Debra J. Aron and Mr. Michael M. Fernandez.

I. INTRODUCTION

Most parties agree that the time has come to fundamentally reassess the Commission's role with respect to service quality given the realities of today's competitive communications market. AT&T, for example, agrees with Verizon that monopoly-era, wireline-specific standards such as G.O. 133-B should be eliminated:

In a competitive market ... "overly stringent quality standards can preclude customers from purchasing the price-quality combination they value most."²

Joint Commenters agree that attempting to update or extend such obsolete standards to intermodal competitors is an exercise whose costs would far exceed the benefits:

[T]he selection by the Commission of a given metric, or group of metrics, could lead to unintended consequences as carriers, in an effort to avoid an adverse governmental report, devote resources to manage the specific issues or metrics chosen by the Commission for emphasis, but not to other issues or metrics that may be of greater interest to consumers.³

¹ These affiliates include Bell Atlantic Communications, Inc., d/b/a Verizon Long Distance (U-5732-C), NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions (U-5658-C), MCI Communications Services, Inc., d/b/a Verizon Business Services (U-5378-C), MCI Metro Access Transmission Services, d/b/a Verizon Access Transmission Services (U-5253-C), TTI National, Inc., d/b/a Verizon Business Services (U-5403-C), Teleconnect Long Distance Services & Systems Company, d/b/a Telecom*USA (U-5152-C), Verizon California Inc. (U-1002-C), and Verizon Select Services Inc. (U-5494-C).

² OPENING COMMENTS OF PACIFIC BELL TELEPHONE COMPANY (May 14, 2007) at 6, citing previously filed COMMENTS OF DR. ROBERT G. HARRIS (Apr. 1, 2003).

³ COMMENTS OF THE JOINT COMMENTING PARTIES IN RESPONSE TO ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO (May 14, 2007) (hereafter "Joint Commenting Parties" Opening Comments") at 6–7.

Instead, Joint Commenters agree with Verizon that the Commission should avoid prescriptive service quality regulations and instead rely "on competitive market forces as a sound means of promoting high quality services for California's consumers," consistent with the pro-competitive principles articulated in the Scoping Memo.

Without any meaningful explanation, however, DRA and TURN disregard the Scoping Memo's request for a technologically neutral solution that relies principally on competition over regulation. Instead, they propose to *dramatically expand* service quality regulations through new technology-specific standards, "positive" reporting requirements, and penalties for failure to comply. Their prescriptive proposals would apply *not only* to ILECs, CLECs, and NDIECs, which are currently subject to G.O. 133-B, *but also* to wireless and, possibly, VoIP providers, even though the service quality of these intermodal competitors has *never before* been regulated by this Commission for jurisdictional reasons, among others. Such a broad expansion of the Commission's service quality role raises serious problems that DRA and TURN fail to resolve or even confront. Verizon addresses these problems below.

⁴ Joint Commenting Parties' Opening Comments at 3.

⁵ Scoping Memo at 3.

⁶ OPENING COMMENTS OF DIVISION OF RATEPAYER ADVOCATES ON THE ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO IN THE SERVICE QUALITY OIR R.02-12-004 (May 14, 2007) (hereafter "DRA Opening Comments") at 2, 4, 7, 10, 21; OPENING COMMENTS OF THE UTILITY REFORM NETWORK ON SCOPING MEMO ISSUES (May 14, 2007) (hereafter "TURN Opening Comments") at 2, 14–15, 18.

 $^{^7}$ The only apparent exception is that DRA would exempt from its proposal "service providers serving fewer than 5,000 customers." (DRA Opening Comments at 21.) Dr. Aron shows how this exception further violates the principle of competitive neutrality set forth in the Scoping Memo. (REPLY DECLARATION OF DR. DEBRA J. ARON SUPPORTING COMMENTS OF VERIZON CALIFORNIA INC. (JUNE 15, 2007) (hereafter "Aron Reply Declaration") at \P 36.

II. DISCUSSION

A. CONTRARY TO THE PRO-MARKET PRINCIPLES ARTICULATED IN THE SCOPING MEMO, TURN AND DRA PROMOTE REGULATION OVER COMPETITION TO THE DETRIMENT OF OPTIMAL, CONSUMER-DRIVEN SERVICE QUALITY.

A threshold problem with DRA and TURN's expansive, prescriptive approach to service quality regulation is the Commission's lack of regulatory authority over VoIP, as Verizon previously discussed. DRA avoids the issue by remaining silent on whether its proposal would apply to VoIP, stating merely that it would include all providers "under [the Commission's] jurisdiction." TURN explicitly states that its wireline-specific service quality standards would apply to VoIP but fails to address the jurisdictional issue. DRA and TURN's silence speaks volumes on the Commission's lack of authority to impose service quality regulations on VoIP providers.

DRA and TURN attempt to justify their pro-regulatory approach to service quality by suggesting that *competition itself* is the problem: "TURN submits that these service quality standards are even more important and relevant today as the telecommunications market becomes more competitive." This mindset contradicts basic economic principles, in addition to being fundamentally inconsistent with the Scoping Memo's pro-competitive approach. Indeed, as Dr. Aron has exhaustively demonstrated, where significant safety risks are not directly implicated, competition is superior to regulation at achieving optimal service quality for consumers. 12

In fact, Dr. Aron's review of the economic literature shows that increasing prescriptive service quality regulations in dynamic, competitive markets is exactly the

⁸ OPENING COMMENTS OF VERIZON CALIFORNIA INC. AND ITS CERTIFICATED CALIFORNIA AFFILIATES ON MARCH 30 ASSIGNED COMMISSIONER RULING AND SCOPING MEMO (May 14, 2007) (hereafter "Verizon Opening Comments") at 8.

⁹ DRA Opening Comments at 2.

¹⁰ TURN Opening Comments at 4–5. See also generally Aron Reply Declaration at §§ IV, V, VII (discussing various erroneous assertions by DRA and TURN regarding the nature of competition and its affects on consumers).

¹¹ Aron Reply Declaration at ¶ 58 and generally at §§ IV, V, VII.

¹² See, e.g., Verizon Opening Comments at § II.A; Aron Reply Declaration at ¶ 4.

wrong approach. It harms competition, imposes unnecessary costs, stifles innovation, and limits the ability of providers to tailor their products and services based primarily on consumer demand:¹³

Regulation is a *proxy* for competition, not a *replica* of it. Rather than attempting to replicate the market, regulators should recognize that achieving market outcomes requires removing regulatory restrictions as telecommunications markets become increasingly competitive. Expanding the scope of regulation will only make it less, not more, plausible that regulators will be able to achieve market outcomes.¹⁴

Although DRA and TURN appear to believe that any consumer inconvenience is a justification for regulation, the consumer's best weapon against unsatisfactory service quality is the ability to switch to another provider. This ability endows consumers with a "credible threat" against providers, which, in turn, encourages them to provide consumers the service quality they demand. Mr. Fernandez, Verizon's statistician, confirms this point in his reply declaration. His empirical analysis of internal and external survey data overwhelmingly shows a strong relationship between customers' service experiences and their loyalty to providers:

[T]here is simply no question, from an empirical point of view, that the competitive market requires providers to ensure that their service quality meets or exceeds customers' expectations because customer loyalty decreases substantially in the wake of decreases in the service quality attributes that customers value.¹⁵

DRA and TURN's failure to appreciate the powerful service quality incentives that competition provides, or to recognize that regulation can harm those incentives, is perhaps best illustrated by TURN's call for standard installation intervals against which wireline providers would be measured.¹⁶ TURN explains that Verizon offers

¹³ Aron Reply Declaration at ¶¶ 32–33.

 $^{^{14}}$ Aron Reply Declaration at ¶ 58, citing J. Gregory Sidak and Daniel F. Spulber, "Deregulation and Managed Competition in Network Industries," *Yale Journal on Regulation*, 15, 117 (Winter 1998) at p. 140 (emphasis added, footnotes omitted).

¹⁵ Fernandez Reply Declaration at ¶ 9; see also id. at § II.

¹⁶ TURN Opening Comments at 8.

installation service on the weekends, but does not count those days in recording the installation interval for regulatory reporting. In TURN's view, this is a "problem" because it interferes with the regulatory objective of measuring and monitoring service quality in a standardized manner. The fact that Verizon offers service on the weekend, however, is evidence that Verizon is vigorously responding to competition to meet the diverse needs of its customers and differentiate itself from its competitors. Only a regulatory mindset could confuse providing weekend service as a "problem" needing a regulatory solution.

B. DRA AND TURN'S PRESCRIPTIVE PROPOSALS ARE ARBITRARY AND LACK ANY ECONOMIC OR EMPIRICAL SUPPORT.

Because they rely on regulation, not competition, to drive service quality, DRA and TURN are forced to propose different standards for different technologies. Wireless and wireline standards differ, and within wireline, VoIP has different standards depending on how it is provisioned. While TURN acknowledges that this approach contradicts the principle of regulatory symmetry as set forth in the Scoping Memo, DRA attempts to reinterpret symmetry to mean that all providers should be regulated, even if they are regulated differently. This approach has several problems beyond its fundamental inconsistency with the pro-competitive, technology-neutral principles articulated in the Scoping Memo (discussed above).

The most glaring of these problems is the lack of any economic or other principled basis supporting the specific standards DRA and TURN propose. DRA vaguely claims that its preferred service quality standards are "[t]he absolute minimum measures essential for consumer health and safety." As Dr. Aron shows, 21 however,

¹⁷ *Id*.

¹⁸ TURN Opening Comments at 6. Even when considering only wireline carriers, TURN acknowledges that the same measures may not be appropriate. For example, calculating average installation intervals for VoIP service may not be appropriate because they do not require a physical presence by the provider. (*Id.* at 8.)

¹⁹ TURN Opening Comments at 6.

²⁰ DRA Opening Comments at 7.

²¹ Aron Reply Declaration at § VI.

DRA's standards go well beyond ensuring consumer health and safety, and nowhere does DRA explain how to distinguish between essential and non-essential standards. For instance, DRA proposes to regulate the amount of time it takes for customers to reach a live operator, claiming that "when customers need to contact the phone company, they want to be able to do so without delay, *no matter what the subject of their inquiry is.*" The connection to health and safety here is, at best, a stretch. Speed of answering is one of many quality characteristics, and one that involves a cost/benefit tradeoff with other attributes. DRA provides no support for its bald assertion that answer times are "of vital importance" consumers, or for its implicit assumption that that customers would trade faster answering times for other benefits with a similar cost.

Indeed, as Mr. Fernandez shows, comparing and contrasting DRA and TURN's proposals illustrates the arbitrary nature of the service attributes on which each focuses.²⁴ DRA, for example, believes that monitoring trouble reports is "important in accessing network reliability," and therefore concludes that establishing a mandatory floor for incidence of trouble reports is among the "absolute minimum measures essential for consumer health and safety." TURN, on the other hand, believes that trouble report monitoring is unnecessary and can be eliminated.²⁶

In a competitive market, however, consumers actually prefer many different combinations of price and quality, as Dr. Aron demonstrates.²⁷ In other words, the quality attributes that DRA and TURN prefer may not be the same as those that consumers prefer, and it is impossible for regulators to correctly duplicate consumers' dynamic preferences. Moreover, imposing set rules limits innovation and denies

²² DRA Opening Comments at 8 (emphasis added).

²³ DRA Opening Comments at 6.

²⁴ See Fernandez Reply Declaration at § III.

²⁵ DRA Opening Comments at 7, 9.

²⁶ TURN Opening Comments at 21.

 $^{^{27}}$ Aron Reply Declaration at ¶¶ 15, 23–24, 29, 33, 35, 37, 60–65.

customer choice. Even if the Commission could somehow be confident that the measures chosen today were optimal, technology changes may make them obsolete or harmful in the future. Instead of making choices for consumers by imposing arbitrary regulatory standards, providers should be free to utilize different approaches based on what they believe their customers want.

C. California Law Encourages Reliance on Competition To Promote Reasonable Service Quality Levels.

DRA and TURN claim that the Public Utilities Code requires the Commission to continue to regulate service quality using the same prescriptive techniques used during the monopoly era. For example, TURN argues that section 2896²⁸ requires the Commission "to promulgate service quality standards for all providers of voice services," and DRA argues that a combination of several code sections requires the Commission to "establish standards for the minimum service quality measures." DRA and TURN are wrong. In fact, federal and state law and Commission precedent not only permit but encourage a policy of relying on competitive communications markets to promote reasonable service quality levels.

The Commission first recognized this core principle in 1993 when it granted the former AT&T greater regulatory flexibility. "If AT&T-C prices its services too high or if its service quality deteriorates," the Commission held, "customers will have an incentive to switch to a lower-priced or better-quality carrier." The Commission continued this pro-competitive communications policy in its recent URF Phase 1 decision, 31 citing section 709.5, which endorses a "reliance on competitive markets" as

For example, the different answering time standards proposed by DRA and TURN would cause providers to configure their voice recognition units and center resources in different ways, with important customer satisfaction ramifications, but neither provides any evidence that its particular preference is the better approach. See Fernandez Declaration at ¶¶15–17.

²⁹ TURN Opening Comments at 3; DRA Opening Comments at 2–3.

³⁰ In the Matter of the Application of AT&T Communications of California, Inc., for Additional Regulatory Flexibility, D.93-02-010, 48 CPUC 2d 31 (1993), at 84.

³¹ See generally D.06-08-030 at § III.

the preferred means to achieve the state's telecommunications policy goals,³² and the Telecommunications Act of 1996, whose "overarching purpose" is to "promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers."

DRA and TURN, however, vaguely suggest that other Public Utilities Code sections contain language requiring the Commission to abandon its pro-competitive communications policy and instead dictate technology-specific service quality standards.³⁴ Each of the sections DRA and TURN cite, however, simply sets forth general principles that are, in fact, entirely consistent with the overarching policy of relying on competition over regulation when possible.

Section 709(h), for example, requires the Commission "to encourage fair treatment of consumers through provision of sufficient information for making informed choices, establishment of reasonable service quality standards, and establishment of processes for equitable resolution of billing and service problems." This provision does not require the Commission to prescribe particular standards, and there is no reason to conclude that reliance on competition is an inappropriate means for achieving "reasonable service quality standards." Nor is there any evidence showing that the arbitrary standards DRA and TURN propose are somehow better proxies for "reasonable" service quality than what consumers actually demand in the competitive market.³⁵

Similarly, Section 2896(c) states that the "commission shall require telephone corporations to provide customer service to telecommunications customers that includes, but is not limited to, all of the following: ... Reasonable statewide service

³² D.06-08-030, *mimeo* at 32.

³³ *Id.* at 33–34 (internal quotations omitted). See also Pub. Util. Code § 709(g) which states the following telecommunications policy goal: "To remove the barriers to open and competitive markets and promote fair product and price competition in a way that encourages greater efficiency, lower prices, and more consumer choice."

 $^{^{34}}$ TURN Opening Comments at 2-3 (citing \S 709 and \S 2896); DRA Opening Comments at 2-3 (citing \S 451, \S 709 and \S 2896).

³⁵ Aron Reply Declaration at ¶ 15.

quality standards, including, but not limited to, standards regarding network technical quality, customer service, installation, repair, and billing." As with Section 709(h), it is left to the Commission to determine the best means to ensure that "telephone corporations ... provide customer service" satisfying "reasonable statewide service quality standards." Nothing in the statute requires *the Commission* to mandate specific service quality metrics, as opposed to permitting *consumers* to determine the "reasonable" standards of service quality that providers must meet in order to be competitive. On the contrary, the Commission has "broad discretion" to implement the requirements of section 2896. This is consistent with the legislative history of the statute³⁷ as well as the Commission's inherent authority under section 701 to "do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction." Relying on competition clearly falls within the Commission's broad discretion.

Finally, section 451, which only DRA cites,³⁸ articulates a policy goal that is even more general than those found in the two prior statutes: every public utility must "furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public." As before, section 451 does not dictate the means the Commission should use to achieve the goal. As previously discussed, reliance on competition is more effective at ensuring "reasonable service" that promotes the "safety, health, comfort, and convenience" of customers, and Section 451 does not say

³⁶ See Order Instituting Rulemaking on the Commission's Own Motion to establish Consumer Rights and Protection Rules Applicable to All Telecommunications Utilities," Decision No. 06-12-042, Rulemaking No. 00-02-004 (Dec. 14, 2006), at 27 (rejecting assertions by DRA and TURN that other portions of Section 2896 required the Commission to adopt "prescriptive rules" for information disclosure).

³⁷ See Senate Rules Committee Analysis Regarding Senate Floor Bill No. AB 726, hearing date July 16, 1993 (analysis provided by Senator Moore) (indicating Section 2896 sets forth "consumer protection principles, as opposed to mandating services, and thus the PUC maintain[s] flexibility to implement the principles.")

³⁸ DRA Opening Comments at 2.

otherwise.³⁹ This statutory analysis shows that state and federal law and Commission precedent amply support the Scoping Memo's reliance on competition.

D. NO CLEAR NEED FOR COMMISSION-SPONSORED CUSTOMER SATISFACTION SURVEYS HAS BEEN ESTABLISHED.

As Verizon discussed in opening, there is no clear need for a Commission-sponsored service quality survey. Verizon submits that the Commission will arrive at a similar conclusion by asking the following three questions: *First*, can a realistic purpose be clearly articulated as to how the Commission would utilize the survey results? *Second*, has the Commission confirmed that the stated purpose cannot be met with data from publicly available sources? *Third*, would the survey's benefits outweigh the economic, financial, and other costs of the survey? If the answer to any of these questions is "no," then Verizon recommends that the Commission not move forward with a survey.

As to the first question, as Mr. Fernandez stressed in his opening declaration, any survey must have a clearly articulated, realistic purpose and must be carefully designed to achieve that purpose. The two principal advocates of a Commission-sponsored survey—DRA and SureWest—articulate an unrealistic purpose: using the survey as an enforcement tool with which to identify service quality problems that require the Commission's attention. A customer satisfaction survey, however, should not be used for enforcement because the data collected is inherently subjective and

³⁹ Commission monitoring may be appropriate for certain *bona fide* safety issues that may not be fully addressed through market-oriented policies. The Commission, however, should guard against regulatory creep and should resist attempts to cast routine service quality metrics as safety issues. For example, DRA claims that among the "absolute minimum measures essential for consumer health and safety" are measures regarding call answer time and time to reach a life operator. DRA Comments at 7. Dr. Aron debunks that hyperbolic claim and provides a framework for identifying potential safety issues for which Commission monitoring may be appropriate. (Aron Reply Declaration at § VI. A.)

⁴⁰ Verizon Opening Comments at 13–15.

⁴¹ Fernandez Opening Declaration at ¶¶ 8–10.

⁴² See SureWest Opening Declaration at 5; DRA Opening Comments at 6. TURN and Disability Rights Advocates also express some support for surveys, although they do so cautiously and they emphasize the limitations of survey results. See TURN Opening Comments at 16-18; Disability Rights Advocates Opening Comments at 4-6.

the risk of "false positives," i.e., situations where the data suggest a problem where one does not in fact exist, is too high.⁴³ In fact, with developing technologies, consumers' perception of quality may actually *fall* as new technologies become more pervasive and consumer expectations increase—even though the actual quality of the service remains the same or increases.⁴⁴ Far better tools, including the complaint process, are available to the Commission for detecting concrete service quality problems that may require Commission action.⁴⁵

Another potential purpose for a customer satisfaction survey, which DRA mentions, might be to inform consumers about how competitors compare to each other. Here, the second question comes into play: are other sources of information already available for this purpose? The answer is yes. Californians already have numerous resources with which to make such decisions, including surveys from sources such as Consumer Reports and Consumers' Checkbook, as well as Web sites that facilitate comparison shopping and information sharing. DRA neither demonstrates a need for consumer education information from Commission surveys nor attempts to argue that the Commission could do a better job of supplying useful information than these market-driven sources. 47

Accordingly, the only realistic purpose for a Commission-sponsored survey would be a *policy* purpose, such as evaluating customer-satisfaction developments and trends as California's market for voice communications continues to dramatically grow. But the policy usefulness of customer-satisfaction data, which is based on subjective perceptions, is limited. For example, as mentioned above, consumers' perception of quality can significantly diverge from reality, and quality perceptions can

⁴³ Fernandez Opening Declaration at ¶¶ 33–35.

⁴⁴ Aron Opening Declaration at ¶ 79.

⁴⁵ Aron Opening Declaration at ¶ 33.

⁴⁶ See generally Aron Reply Declaration at § IV.F.

⁴⁷ DRA Opening Comments at 6–7 (stating only that the survey results should be made public but not discussing the other sources of information available to consumers).

even fall despite objective increase in quality.⁴⁸ This leaves the obvious question of what, if anything, the Commission might do with the results of a customer-satisfaction survey. Moreover, as previously discussed, the Commission can consult sophisticated publicly available surveys to learn about customer-satisfaction developments and compare providers.⁴⁹

Finally, as to the third question, if the Commission can articulate a realistic purpose for a customer satisfaction survey and determines that public sources do not adequately address that purpose, it must consider the costs of sponsoring a survey. Those include the important economic costs described by Dr. Aron as well as the financial and other costs described by Mr. Fernandez.⁵⁰ Verizon submits that any policy usefulness of a customer satisfaction survey would be outweighed by these costs.

The survey's costs would clearly be unacceptably high if the survey fails to follow the "best practices" that Mr. Fernandez describes. ⁵¹ In particular, any survey should avoid seeking overly-detailed data about particular service attributes. Such a mistake could result in data of questionable accuracy that could not be compared across providers, ⁵² and would significantly increase the potential anticompetitive impact of the survey. ⁵³ Because of the importance of asking the right kinds of questions, Mr. Fernandez provides a list of questions appropriate for comparing providers and monitoring customer satisfaction trends. ⁵⁴ *If* the Commission goes

 $^{^{48}}$ Aron Opening Declaration at ¶ 79. This, of course, is another reason why customer satisfaction surveys cannot be used for enforcement purposes.

⁴⁹ See, e.g., Verizon Opening Comments at 14; Joint Commenting Parties Opening Comments at 3-4; CTIA Opening Comments at 6-7; Verizon Wireless Opening Comments at 3-4.

⁵⁰ Aron Opening Declaration at § VII; Fernandez Reply Declaration at § V.

⁵¹ Fernandez Opening Declaration at ¶¶ 36–41.

⁵² Fernandez Opening Declaration at ¶¶ 26–28; 37; Fernandez Reply Declaration at ¶ 21.

⁵³ See generally Aron Opening Declaration at § VI (explaining that even simple monitoring can be anticompetitive by causing firms to improperly focus on the particular service attributes being monitored).

⁵⁴ Fernandez Reply Declaration, Ex. A.

forward with a service quality survey (which Verizon recommends against), it should follow best practices, including limiting the questions to the kind supplied by Mr. Fernandez.

AT&T suggests that the Commission use workshops to address the adequacy of existing third-party surveys and, if found to be inadequate, the means by which they could be supplemented by a Commission-sponsored survey. Although Verizon does not believe a workshop is necessary at this time, if the Commission orders a workshop, Verizon urges the Commission to set forth clear goals and parameters before any workshop is held to ensure efficiency and productivity. The three questions Verizon addresses above, in addition to the best practices Mr. Fernandez discusses, provide a logical starting point for developing the goals and parameters of any workshop.

III. CONCLUSION

The time has come for the Commission to eliminate outdated, ILEC-centric service quality standards that limit innovation, distort the competitive process, and harm optimal, consumer-driven service quality. Verizon stands ready to work with the Commission and the parties toward that goal.

Dated: June 15, 2007 By: /s/ Rudolph M. Reyes

RUDOLPH M. REYES Attorney for Verizon 711 Van Ness Avenue, Suite 300 San Francisco, CA 94102

Tel: 415-749-5539 Fax: 415-474-6546

rudy.reyes@verizon.com

_

⁵⁵ AT&T Opening Comments at 8.

CERTIFICATE OF SERVICE

I hereby certify that: I am over the age of eighteen years and not a party to the within entitled action; my business address is 711 Van Ness Ave., Ste. 300, San Francisco, CA 94102; I have this day served a copy of the foregoing:

REPLY COMMENTS OF VERIZON CALIFORNIA INC. (U 1002 C) AND ITS CERTIFICATED CALIFORNIA AFFILIATES ON MARCH 30, 2007 ASSIGNED COMMISSIONER RULING AND SCOPING MEMO

by electronic mail to those parties on the service list shown below who have supplied an e-mail address, and by U.S. mail to all other parties on the service list.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 15th day of June, 2007, at Thousand Oaks, California.

/s/Jacque Lopez JACQUE LOPEZ

Service List:

R.02-12-004

CALIFORNIA PUBLIC UTILITIES COMMISSION **Service Lists**

Proceeding: R0212004 - PUC - SERVICE QUALIT

Filer: PUC

List Name: INITIAL LIST Last changed: May 17, 2007

Download the Comma-delimited File About Comma-delimited Files

Back to Service Lists Index

Appearance

CHARLES HARAK NATIONAL CONSUMER LAW CENTER 77 SUMMER STREET, 10TH FLOOR BOSTON, MA 02110

BARBARA R. ALEXANDER CONSUMER AFFAIRS CONSULTANT 83 WEDGEWOOD DRIVE WINTHROP, ME 04364

WILLIAM K. MOSCA COMCAST BUSINESS COMMUNICATIONS, INC. NEXTEL COMMUNICATIONS, INC. 10 INDEPENDENCE WAY WARREN, NJ 07059

LAURA L. HOLLOWAY 2001 EDMUND HALLEY DRIVE RESTON, VA 20091

TERRANCE SPANN US ARMY LEGAL SERVICES AGENCY DEPARTMENT OF THE ARMY (JALS-RL) 901 N. STUART STREET, SUITE 700 ARLINGTON, VA 22203-1837

CORALETTE HANNON ESQUIRE AARP LEGISLATIVE REPRESENTATIVE 6705 REEDY CREEK ROAD CHARLOTTE, NC 28215

MARK ASHBY CINGULAR WIRELESS 5565 GLENRIDGE CONNECTOR, STE 1700 ATLANTA, GA 30342

JEFFREY M. PFAFF SPRINT PCS KSOPHN0212-2A509 6450 SPRINT PARKWAY OVERLAND PARK, KS 66251-6100

ANN JOHNSON VERIZON HQE02F61

JOHN SISEMORE DIRECTOR AT&T SERVICES 600 HIDDEN RIDGE IRVING, TX 75038 175 E. HOUSTON STREET, ROOM 10-M-10 SAN ANTONIO, TX 78205

KATHERINE K. MUDGE

SENIOR COUNSEL

COVAD COMMUNICATIONS COMPANY

7000 NORTH MOPAC EXPRESSWAY, 2D FL
AUSTIN, TX 78731

REX KNOWLES

REGIONAL VICE PRESIDENT

XO COMMUNICATIONS SERVICES, INC.

111 EAST BROADWAY, SUITE 1000

SALT LAKE CITY, UT 84111

ALAN L. PEPPER MITCHELL SILBERBERG & KNUPP LLP TRIDENT CENTER 11377 W OLYMPIC BLVD., SUITE 200 LOS ANGELES, CA 90064-1683

MICHAEL MANCHESTER 1749 10TH STREET, NO. 1 SANTA MONICA, CA 90404

ALEJANDRO JIMENEZ AT&T MOBILITY 12900 PARK PLAZA DRIVE TUSTIN, CA 90703

W. LEE BIDDLE FERRIS AND BRITTON, APC 401 W. A ST., SUITE 1600 SAN DIEGO, CA 92101

MICHAEL SHAMES CRICKET COMMUNICATIONS, INCUTILITY CONSUMERS' ACTION NETWORK

3100 FIFTH AVENUE, SUITE B

SAN DIEGO, CA 92102 SAN DIEGO, CA 92103

LAURIE ITKIN CRICKET COMMUNICATIONS, INC.

M. ESTELA LARA CENTRO LA FAMILIA ADVOCACY SERVICES, INC ATTORNEY AT LAW 2014 TULARE STREET, SUITE 711 ADAMS BROADWELL JOSEPH & CARDOZO FRESNO, CA 93721 601 GATEWAY BLVD. STE 1000

MARC D. JOSEPH SOUTH SAN FRANCISCO, CA 94080

BOB FINKELSTEIN

ATTORNEY AT LAW

THE UTILITY REFORM NETWORK

711 VAN NESS AVENUE, SUITE 350

SAN FRANCISCO, CA 94102

CHRISTINE MAILLOUX

ATTORNEY AT LAW

THE UTILITY REFORM NETWORK

711 VAN NESS AVENUE, SUITE 350

SAN FRANCISCO, CA 94102

ELAINE M. DUNCAN

ATTORNEY AT LAW

VERIZON CALIFORNIA INC.

711 VAN NESS AVENUE, SUITE 300

SAN FRANCISCO, CA 94102 SAN FRANCISCO, CA 94102

RUDY REYES

WILLIAM NUSBAUM VERIZON
711 VAN NESS AVENUE, SUITE 300

SAN FRANCISCO, CA 94102

THE UTILITY REFORM NEIMONN
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102

CHARLYN A. HOOK CALIF PUBLIC UTILITIES COMMISSION LEGAL DIVISION ROOM 4107 505 VAN NESS AVENUE

JASON J. ZELLER CALIF PUBLIC UTILITIES COMMISSION LEGAL DIVISION ROOM 5030 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214 SAN FRANCISCO, CA 94102-3214

MONICA L. MCCRARY CALIF PUBLIC UTILITIES COMMISSION LEGAL DIVISION ROOM 5134 505 VAN NESS AVENUE 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214 SAN FRANCISCO, CA 94102-3214

SINDY J. YUN CALIF PUBLIC UTILITIES COMMISSION LEGAL DIVISION ROOM 4300

KATHERINE S. RITCHEY ATTORNEY AT LAW

RANDOLPH W. DEUTSCH SIDLEY, AUSTIN, BROWN & WOOD, LLP
S55 CALIFORNIA STREET, 26TH FLOOR
SAN FRANCISCO, CA 94104

555 CALIFORNIA CONTRACTOR SUITE 2000
555 CALIFORNIA CONTRACTOR SUITE 2000 ATTORNEY AT LAW SAN FRANCISCO, CA 94104

STEPHEN B. BOWEN ATTORNEY AT LAW BOWEN LAW GROUP 235 MONTGOMERY STREET, SUITE 920 SAN FRANCISCO, CA 94105 SAN FRANCISCO, CA 94104

AGNES NG AT&T COMMUNICATIONS OF CALIFORNIA, INC. 525 MARKET ST 20TH FLOOR 4

ANDREA JOHNSON AT&T CALIFORNIA 525 MARKET STREET, SUITE 1944 SAN FRANCISCO, CA 94105

DAVID P. DISCHER GENERAL ATTORNEY AT&T CALIFORNIA 525 MARKET STREET, ROOM 2027 SAN FRANCISCO, CA 94105

GREGORY L. CASTLE SENIOR COUNSEL AT&T CALIFORNIA 525 MARKET STREET, RM. 2022 SAN FRANCISCO, CA 94105

JEAN PARKER WORKING ASSETS 101 MARKET STREET, SUITE 700 SAN FRANCISCO, CA 94105

MARY E. WAND ATTORNEY AT LAW MORRISON & FOERSTER LLP STEPHEN H. KUKTA COUNSEL SPRINT NEXTEL

425 MARKET STREET SAN FRANCISCO, CA 94105 201 MISSION STREET, SUITE 1400 SAN FRANCISCO, CA 94105

THOMAS J. SELHORST AT&T CALIFORNIA AT&T CALIFORNIA
525 MARKET STREET, RM. 2023
SAN FRANCISCO, CA 94105

JAMES W. MCTARNAGHAN ATTORNEY AT LAW DUANE MORRIS LLP ONE MARKET, SPEAR TOWER 2000 SAN FRANCISCO, CA 94105-1104

GLENN STOVER ATTORNEY AT LAW STOVER LAW

PETER A. CASCIATO ATTORNEY AT LAW PETER A. CASCIATO P.C. STOVER LAW

221 MAIN STREET, SUITE 800

SAN FRANCISCO, CA 94105-1906

STOVER A. CASCIATO P.C.

355 BRYANT STREET, SUITE 410

SAN FRANCISCO, CA 94107

CARL K. OSHIRO SAN FRANCISCO, CA 94111

DOUGLAS H. BOSCO CARL A. USHIKU

ATTORNEY AT LAW

CSBRT/CSBA

100 PINE STREET, SUITE 3110

DOUGLAS H. BOSCO
HOLLAND & KNIGHT, LLC
50 CALIFORNIA STREET, SUITE 2800
SAN FRANCISCO, CA 94111

JAMES M. TOBIN

JEFFREY F. BECK ESQUIRE

TWO EMBARCADERO CENTER, SUITE 1800

SAN FRANCISCO, CA 94111

ATTUKNEI AI LAW

COOPER, WHITE & COOPER, L.L.P.

201 CALIFORNIA ST., 17TH FLOOR

SAN FRANCISCO, CA 94111

JOHN CLARK ATTORNEY AT LAW GOODIN MACBRIDE SQUERI DAY & LAMPREY LLP
505 SANSOME STREET, 9TH FLOOR
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
SAN FRANCISCO, CA 94111

JOSEPH F. WIEDMAN ATTORNEY AT LAW

LUIS ARTEAGA
LATINO ISSUES FORUM
160 PINE STREET, SUITE 700
SAN FRANCISCO, CA 94111

MARK P. SCHREIBER ATTORNEY AT LAW COOPER, WHITE & COOPER, LLP 201 CALIFORNIA STREET, 17TH FLOOR SAN FRANCISCO, CA 94111

SARAH DEYOUNG EXECUTIVE DIRECTOR

SARAH E. LEEPER ATTORNEY AT LAW CALTEL STEEFEL, LEVITT & WEISS 50 CALIFORNIA STREET, SUITE 1500 ONE EMBARCADERO CENTER, 30TH FLOOR SAN FRANCISCO, CA 94111 SAN FRANCISCO, CA 94111 SUZANNE TOLLER ATTORNEY AT LAW

EARL NICHOLAS SELBY ATTORNEY AT LAW

DAVIS WRIGHT TREMAINE

505 MONTGOMERY STREET, SUITE 800

SAN FRANCISCO, CA 94111-6533

ATTORNEY AT LAW

LAW OFFICES OF EARL NICHOLAS SELBY
418 FLORENCE STREET
PALO ALTO, CA 94301 ATTORNEY AT LAW

JOHN GUTIERREZ DIRECTOR, GOVERNMENT AFFAIRS

COMCAST PHONE OF CALIFORNIA, LLC

1547 PALOS VERDES MALL, SUITE 298

12647 ALCOSTA BLVD., SUITE 200

WALNUT CREEK, CA 94597 SAN RAMON, CA 94583

ANITA C. TAFF-RICE

DOUG GARRETT COX CALIFORNIA TELCOM LLC 2200 POWELL STREET, SUITE 1035 EMERYVILLE, CA 94608

JOSE JIMENEZ COX CALIFORNIA TELCOM, L.L.C. 2200 POWELL STREET, SUITE 1035 EMERYVILLE, CA 94608

MARILYN ASH U.S. TELEPACIFIC CORP. 6101 CHRISTIE AVE. EMERYVILLE, CA 94608

GLENN SEMOW CALIFORNIA CABLE & TELECOMM. ASSOC. 360 22ND STREET, STE. 750 OAKLAND, CA 94612

LEON M. BLOOMFIELD LEON M. BLOOMFIELD

ATTORNEY AT LAW

VP LEGAL AND REGULATORY AFF

WILSON & BLOOMFIELD, LLP

CALIFORNIA CABLE & TELECOM

360 22ND STREET, SUITE 750

OAKLAND, CA 94612

LESLA LEHTONEN VP LEGAL AND REGULATORY AFFAIRS CALIFORNIA CABLE & TELECOM ASSOCIATION

ETHAN SPRAGUE PAC-WEST TELECOMM, INC.
1776 W. MARCH LANE, SUITE 250 STOCKTON, CA 95207

GAYATRI SCHILBERG JBS ENERGY 311 D STREET, SUITE A
WEST SACRAMENTO, CA 95605

LUPE DE LA CRUZ AARP CALIFORNIA 1415 L ST STE 960 SACRAMENTO, CA 95814-3977

CINDY MANHEIM CINGULAR WIRELESS PO BOX 97061 REDMOND, WA 98073-9761

Information Only

ROBERT SPANGLER SNAVELY ING & MAJOROS O'CONNOR & LEE INC VERIZON WIRELESS 1220 L STREET N.W. SUITE 410 1300 I STREET, N.W., SUITE 400 WEST WASHINGTON, DC 20005

WILLIAM D. WALLACE ESQ. WASHINGTON, DC 20005

MAUREEN K. FLOOD TELECOM POLICY ANALYST

MICHAEL R. ROMANO DIRECTOR-STATE REGULATORY AFFAIRS HARRIS, WILTSHIRE & GRANNIS LLP

1200 EIGHTEENTH STREET, NW

WASHINGTON, DC 20036

LIRECTOK-STATE REGULATORY AFFAIR
LEVEL 3 COMMUNICATIONS, LLC
2300 CORPORATE PARK DR STE. 600
HERNDON, VA 20171-4845

ROBERT N. KITTEL
U.S. ARMY LITIGATION CENTER
901 N. STUART STREET, SUITE 700 ARLINGTON, VA 22203-1837

KEVIN SAVILLE ASSOCIATE GENERAL COUNSEL FRONTIER COMMUNICATIONS 2378 WILSHIRE BLVD. MOUND, MN 55364

MARJORIE O. HERLTH QWEST COMMUNICATIONS CORPORATION 1801 CALIFORNIA ST., SUITE 4700 DENVER, CO 80202

ALOA STEVENS DIRECTOR, GOVERNMENT&EXTERNAL AFFAIRS FRONTIER COMMUNICATIONS PO BOX 708970 SANDY, UT 84070-8970

CHRISTINA V. TUSAN ATTORNEY AT LAW LOS ANGELES, CA 90012

PAMELA PRESSLEY LITIGATION PROGRAM DIRECTOR CALIFORNIA DEPARTMENT OF JUSTICE FOUNDATION FOR TAXPAYER&CONSUMER RIGHTS 300 SOUTH SPRING ST., 11TH FLOOR 1750 OCEAN PARK BLVD., SUITE 200 SANTA MONICA, CA 90405

JACQUE LOPEZ LEGAL ASSISTANT VERIZON CALIFORNIA INC CA501LB 112 LAKEVIEW CANYON ROAD THOUSAND OAKS, CA 91362

ESTHER NORTHRUP COX CALIFORNIA TELCOM 5159 FEDERAL BLVD. SAN DIEGO, CA 92105

MICHAEL BAGLEY VERIZON WIRELESS 15505 SAND CANYON AVENUE IRVINE, CA 92612

THOMAS MAHR VICE PRESIDENT AND GENERAL COUNSEL VERIZON WIRELESS 15505 SAN CANYON AVE E305 IRVINE, CA 92618

MIKE MULKEY ARRIVAL COMMUNICATIONS 1807 19TH STREET BAKERSFIELD, CA 93301

JAN HEWITT AT&T CALIFORNIA REGULATORY DEPT. 525 MARKET ST., ROOM 1803 SAN FRANCISCO, CA 94105

TERESA M. ONO AT&T COMMUNICATIONS OF CALIFORNIA, INC. EXECUTIVE DIRECTOR 525 MARKET ST. 18TH FLOOR, 4 AT&T CALIFORNIA SAN FRANCISCO, CA 94105 525 MARKET STREE

YVETTE HOGUE 525 MARKET STREET, ROOM 1918 SAN FRANCISCO, CA 94105-2727

MARGARET L. TOBIAS
TOBIAS LAW OFFICE
460 PENNSYLVANIA AVENUE
SAN FRANCISCO, CA 94107

MICHAEL B. DAY ATTORNEY AT LAW GOODIN MACBRIDE SQUERI DAY & LAMPREY LLP 505 SANSOME STREET, SUITE 900 SAN FRANCISCO, CA 94111

SEAN P. BEATTY

ATTORNEY AT LAW

COOPER, WHITE & COOPER, LLP

201 CALIFORNIA ST., 17TH FLOOR

SAN FRANCISCO, CA 94111-6533 SAN FRANCISCO, CA 94111

KATIE NELSON DAVIS WRIGHT TREMAINE, LLP

SBC ADVANCED SOLUTIONS, INC.

505 MONTGOMERY STREET, SUITE 800

SAN FRANCISCO, CA 94111-6533

TERRENCE E. SCOTT

SBC ADVANCED SOLUTIONS, INC.

2623 CAMINO RAMON, ROOM 2C111

SAN FRANCISCO, CA 94583

TERRENCE E. SCOTT

KRISTIN JACOBSON

MARIA POLITZER

MARKET ATTORNEY, CONSULTANT

NEXTEL OF CALIFORNIA, INC.

1255 TREAT BLVD., SUITE 800

MARIA POLITZER

CALIFORNIA CABLE & TELECO

360 22ND STREET, NO. 750

OAKLAND, CA 94612 WALNUT CREEK, CA 94596

CALIFORNIA CABLE & TELECOM ASSOCIATION

MELISSA W. KASNITZ
DISABILITY RIGHTS ADVOCATES
2001 CENTER STREET, THIRD FLOOR BERKELEY, CA 94704-1204

JOSH P. THIERIOT REGULATORY TEAM PAC-WEST TELECOMM 1776 W. MARCH LANE, SUITE 250 STOCKTON, CA 95207

JOSH THIERIOT
PAC-WEST TELECOMM, INC.
STE. 250 STOCKTON, CA 95207

CHARLES E. BORN MANAGER-STATE GOVERNMENT AFFAIRS FRONTIER, A CITIZENS TELECOMMUNICATIONS PO BOX 340 ELK GROVE, CA 95759

MARGARET FELTS PRESIDENT CALIFORNIA COMMUNICATIONS ASSN 1851 HERITAGE LANE STE 255 SACRAMENTO, CA 95815-4923

SUSAN LIPPER SENIOR MANAGER, GOVERNMENT AFFAIRS T-MOBILE USA, INC. 1755 CREEKSIDE OAKS DIVE, SUITE 190 SACRAMENTO, CA 95833

SHEILA HARRIS MANAGER, GOVERNMENT AFFAIRS
INTEGRA TELECOM HOLDINGS, INC.
1201 NE LLOYD BLVD., STE.500 PORTLAND, OR 97232

ADAM L. SHERR ATTORNEY AT LAW OWEST COMMUNICATIONS CORPORATION 1600 7TH AVENUE, 3206 SEATTLE, WA 98191-0000

ANDREW O. ISAR DIRECTOR-STATE AFFAIRS ASSOCIATION OF COMMUNICATIONS ENTERPRISE 7901 SKANSIE AVE., SUITE 240 GIG HARBOR, WA 98335

State Service

JOEY PERMAN JOEY PERMAN
CALIF PUBLIC UTILITIES COMMISSION MARKET STRUCTURE BRANCH 320 WEST 4TH STREET SUITE 500 LOS ANGELES, CA 90013

CHRIS WITTEMAN CALIF PUBLIC UTILITIES COMMISSION LEGAL DIVISION ROOM 5129 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

DALE PIIRU CALIF PUBLIC UTILITIES COMMISSION TELECOMMUNICATIONS & CONSUMER ISSUES BRA DIVISION OF RATEPAYERS ADVOCATES ROOM 4108 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

DANA APPLING CALIF PUBLIC UTILITIES COMMISSION ROOM 4201 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

DENISE MANN CALIF PUBLIC UTILITIES COMMISSION CALIF PUBLIC UTILITIES COMMISSION TELECOMMUNICATIONS & CONSUMER ISSUES BRA PROGRAM MANAGEMENT & IMPLEMENTATION BRAN ROOM 4101 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

FALINE FUA AREA 3-E 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

JANICE L. GRAU CALIF PUBLIC UTILITIES COMMISSION DIVISION OF ADMINISTRATIVE LAW JUDGES ROOM 5011 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

JOHN M. LEUTZA CALIF PUBLIC UTILITIES COMMISSION COMMUNICATIONS DIVISION ROOM 3210 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

KAREN MILLER CALIF PUBLIC UTILITIES COMMISSION PUBLIC ADVISOR OFFICE ROOM 2103 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

LINETTE YOUNG CALIF PUBLIC UTILITIES COMMISSION CALIF PUBLIC UTILITIES COMMISSION AREA 2-D 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

RICHARD SMITH CALIF PUBLIC UTILITIES COMMISSION DIVISION OF ADMINISTRATIVE LAW JUDGES ROOM 5019 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

SARITA SARVATE CALIF PUBLIC UTILITIES COMMISSION ENERGY DIVISION AREA 4-A 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

LINDA J. WOODS CALIF PUBLIC UTILITIES COMMISSION UTILITY & PAYPHONE ENFORCEMENT AREA 2-A 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

MARY JO BORAK CONSUMER PROTECTION AND SAFETY DIVISION TELECOMMUNICATIONS & CONSUMER ISSUES BRA ROOM 4101 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

> RUDY SASTRA CALIF PUBLIC UTILITIES COMMISSION UTILITY & PAYPHONE ENFORCEMENT AREA 2-D 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3214

JAMES W. HOWARD CALIF PUBLIC UTILITIES COMMISSION UTILITY & PAYPHONE ENFORCEMENT 770 L STREET, SUITE 1050 SACRAMENTO, CA 95814

Top of Page **Back to INDEX OF SERVICE LISTS**